



**Massachusetts Bay
Transportation Authority**

MBTA Fair Share / ETF Funds

MBTA Board of Directors
January 25, 2024

Background | Fair Share Investments in Education and Transportation

- In November 2022, the voters of Massachusetts approved a new 4 percent surtax on income above \$1 million annually, known as the Fair Share amendment.
- This new revenue source is constitutionally dedicated to “quality public education and affordable public colleges and universities, and for the repair and maintenance of roads, bridges, and public transportation”
- In FY24, \$476.5 million in Fair Share funds are invested in transportation.
- \$200.8M of this was dedicated to the MBTA and requires a transfer from MassDOT to the MBTA.

Today’s recommendation will cover the following items:

- MBTA Workforce and Safety Reserve: \$20M
- MBTA Capital Investments (Physical Infrastructure Improvements): \$180.8M



MBTA Fair Share Investments

- The Healey-Driscoll Administration’s FY24 H.1 budget recommendation proposed \$20M in one-time workforce and safety initiatives and \$181M in one-time MBTA capital investments including station accessibility improvements (\$70M), bridge repair, rehabilitation and replacement (\$100M) and design for the Red-Blue connector (\$11M)
 - While still pending a final FY24 budget, these investments were reflected in the FY24-28 CIP, but were not reflected in the FY24 operating budget
- The final FY24 State Budget, made minor modifications to the distribution of funds, but largely maintained the level of funding, therefore supporting the MBTA in our efforts to improve the safety and

MBTA Fair Share Investments		MBTA FY24-28 CIP/FY24 Operating Budget	Final FY24 State Budget
		\$100M	
		\$70M	
		\$11M	
		N/A	
		N/A	
		N/A	
	TOTAL	\$181M	\$200.8M

Request to the MBTA Board

MBTA Staff request that the Board of Directors, authorized by the General Manager, award and execute the following:

MassDOT Contract No. 124872 entitled **MBTA Workforce and Safety Reserve**, with Massachusetts Bay Transportation Authority, in the amount of **\$20,000,000**, and to execute any necessary or ancillary documents in the name and on behalf of the Massachusetts Department of Transportation to effectuate this Agreement (see appendix for legislative language).

- to address ongoing safety concerns related to the interim and final findings from FTA's Safety Management Inspection Plan
- may be expended for hiring and retention initiatives

MassDOT Contract No. 124871 entitled **MBTA Physical Infrastructure Improvements**, with Massachusetts Bay Transportation Authority, in the amount of **\$180,800,000**, and to execute any necessary or ancillary documents in the name and on behalf of the Massachusetts Department of Transportation to effectuate this Agreement (see appendix for legislative language).

- \$20M for improvements to infrastructure related to Commuter Rail system
- \$50M for bridge repair, rehabilitation and replacement
- \$70M for station and accessibility improvements across the Massachusetts Bay Transportation Authority network
- \$30M for track authorization and signal improvements on subway lines
- \$10.8M for design of the Red-Blue Connector project



Appendix



Appendix - Legislative Language for 1596-2427

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MBTA Workforce and Safety Reserve \$20M

1596-2427 For a transfer to the Massachusetts Bay Transportation Authority workforce and safety reserve established in line item 1599-1971 in section 2 of chapter 126 of the acts of 2022, for projects to address ongoing safety concerns at the Massachusetts Bay Transportation Authority related to the interim and final findings of the Federal Transit Administration's Safety Management Inspection initiated in April 2022; provided, that the Massachusetts Bay Transportation Authority shall work in consultation with the Massachusetts Department of Transportation and the department of public utilities in the planning and implementation of said projects funded through this item; provided further, that funds may be expended for hiring and retention; provided further, that the Massachusetts Department of Transportation shall issue monthly reports to the joint committee on transportation and the house and senate committees on ways and means detailing the status of the Massachusetts Bay Transportation Authority's progress toward responding to each finding and required action as issued by the Federal Transit Administration; and provided further, that said reports shall be delineated by special directive and shall include, but not be limited to: (i) the funds expended from this item and the related purpose for said spending; (ii) the completion date of each executed required action; and (iii) the estimated completion date of each pending required action. \$20,000,000

Appendix - Legislative Language for 1596-2404

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MBTA Physical Infrastructure Improvements \$180.8M

1596-2404 For programs to improve the Massachusetts Bay Transportation Authority's physical infrastructure; provided, that the authority shall prioritize geographic equity across its service network in the distribution of funds from this item; provided further, that the authority shall expend not less than \$20,000,000 for improvements to infrastructure related to its commuter rail system; provided further, that not less than \$50,000,000 shall be expended for bridge repair, rehabilitation and replacement; provided further, that not less than \$70,000,000 shall be expended for station and accessibility improvements across the Massachusetts Bay Transportation Authority network; provided further, that not less than \$30,000,000 shall be expended for track and signal improvements on subway lines; provided further, that not less than \$10,800,000 shall be expended for design of the red-blue connector project; provided further, that the authority shall consult with the executive office for administration and finance on the projects to be funded by this appropriation; provided further, that not later than April 1, 2024, the authority shall submit a report to the joint committee on transportation and the house and senate committees on ways and means including, but not limited to: (i) the criteria used for distributing funds from this item; and (ii) a list and description of the projects funded through this item or planned to be funded through this item, including the estimated cost for each project and the expected timeline for the completion of each project; and provided further, that funds appropriated in this item shall be made available for these purposes through June 30, 2025 \$180,800,000